On 30 May 2007 the Commission decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the

Fourth Report on Economic and Social Cohesion.

The Section for Economic and Monetary Union and Economic and Social Cohesion, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 8 November 2007. The rapporteur was Mr Derruine.

At its 440th plenary session, held on 12 and 13 December 2007 (meeting of 13 December), the European Economic and Social Committee adopted the following opinion by 88 votes nem. con. with no abstentions.

1. Introduction

1.1 Under the terms of Article 159 of the Treaty, the Commission is required to publish at three-year intervals a status report on economic and social cohesion in Europe.

1.2 As the report is published in the year prior to the update of the Lisbon Strategy Integrated Guidelines (IG), the EESC hopes that — as it has already requested — its ideas will be taken on board not only in the next generation regional policy but as and when the new IG are framed (1).

1.3 The new amending Treaty provides innovation with the inclusion of territorial cohesion as one of the general objectives of the EU (Article 3); this was missing until it was added by the Convention on the Future of Europe and confirmed by the 2007 Intergovernmental Conference (IGC).

2. General comments

2.1 The communication accompanying the report launches a debate on the future of structural policy by posing a series of questions. In the EESC’s view, two questions of major interest needing concrete answers have been omitted:

— regarding the role of the social partners and organised civil society: while a group of questions do address the issue of governance, this is limited to a purely political perspective. Yet, regrettably, there is no mention of the social partners or organised civil society, although their role is essential to ensuring that projects meet grassroots needs and enjoy broad public support, and although they contribute to transparency in the use of resources.

2.2 A close reading of the figures presented in the report may be confusing as it is not always clear whether they refer to the EU-15 -25 or -27. When it comes to trends, the reference dates may also lead to confusion. The report often discusses EU-27 cohesion while taking 1996 as the reference date, a time when the number of Member States had just increased to 15. It emerges that the trends outlined do not concern the EU alone, but take in countries that were not — or only slightly — affected (given their trade situation) by EU sectoral policies (internal market, competition, regional policy). In other words, although the contribution of the structural policies is not in doubt, this makes it difficult to draw clear conclusions about their specific contribution to greater cohesion (2).

2.3 The criterion of 75 % of GDP per capita, which is used to define whether or not a region is lagging behind, has been clouded, given that since the recent enlargements, GDP per capita has decreased with the accession of much less prosperous countries than those that joined previously (the statistical effect). It is also the case with the accession of Bulgaria and Romania. We cannot, therefore, directly compare the situation regarding cohesion before 2004 with the current situation. The performance of the twelve regions that have risen above this threshold must be put in context given that we cannot be sure that it is not due to the statistical effect.

(1) See § 1.4 of the EESC opinion on the ‘Impact and consequences of structural policies on EU cohesion’, OJ C 93, 27.4.2007, p. 6.

2.4 The report states that by the beginning of the next programming period, 9 of the 12 Member States that joined the EU in 2004 and 2007 will have risen above the threshold of 75 % of EU GDP per capita. As a result, this benchmark will lose relevance. This issue should be addressed right away.

2.5 While the report contains a wealth of detailed information, it is regrettable that this information is not always joined up.

Thus, for example, reading the following paragraphs together (of Appendix 1): 2.1.3, 3.2, 2.2.4 (in particular, the graph) and 2.2.6, points up the difficulty of combining economic growth with harmonious development (in this case, job creation that benefits all regions). This is a real challenge, particularly for some of the new Member States (Poland, Hungary, Romania, Bulgaria and the Czech Republic).

— While it is true that the former cohesion countries Ireland, Greece and Spain have fully or partly caught up, what about the sustainability of their growth? How can we be optimistic about future developments when there has been a decline in hourly productivity for the past ten years in relation to the EU average or when the growth is based largely on property (Spain)? How can we explain the fact that despite Ireland’s strong growth, which has catapulted it to 2nd in the rankings of real GDP per capita, and which has allowed the country to achieve full employment, almost one in five people is at risk of poverty?

— The aspect of quality jobs, which was recognised as a key Lisbon objective in 2000, is conspicuous by its absence in this extensive report (4). We take the view that each Member State must verify unambiguously whether the jobs supported or created by the Structural Funds are jobs that enabled the integration of people into the labour market, decent living conditions and adequate pay.

2.6 The EESC also points to the lack of any reference to the social economy, which accounts for 10 % of EU businesses, or to its role in cohesion (particularly the assistance given to the most vulnerable groups in the labour market). This sector generates quality jobs and contributes to sustainable development insofar as it anchors employment at local level, energises rural areas, creates social capital and provides for the sectoral and territorial restructuring process. In this regard, it would be useful to have statistics of comparable quantity and quality for the Member States so as to improve our understanding of this sector.

2.7 The EESC feels that several aspects of economic, social and territorial cohesion should be further explored or reviewed, such as equal opportunities in the labour market.

2.8 If we remain to be convinced as to the usefulness of the EU’s cohesion policy, the report makes the following new points:

— market forces favour capital cities; workers and the unemployed converge on them, while the Eldorado that they seem to promise is often misleading. This aspect must not be underestimated in the debate aimed at promoting mobility as a way of combating unemployment;

— capital cities are often the only motors of growth; only three countries have economically sustainable secondary growth poles with an international profile. This helps to explain why the average regional growth rate varies from 0 % to 8.6 % (1997-2004);

— while a country as a whole may reach the critical threshold of 75 %, driven by its capital city, many regions take a lot longer to get there. Hence the urgent need for territorial cohesion, which seems to be increasingly asserting itself as the very foundation of economic and social cohesion, to be fully recognised as a general EU objective.

2.9 The EESC welcomes the new light shed on cohesion in Europe by comparing it with its global competitors and by highlighting the role of capital cities, the implications in terms of sustainable development (notably imbalanced development and environmental pressures) and the regional repercussions of climate change.

2.10 The EESC supports the European Union’s objective to take the lead in fighting climate change. Nevertheless, if the countries outside the EU do not follow suit, this will jeopardise competitiveness and have an impact on the Union’s cohesion policy. Distortion of competition would have the effect of favouring relocation to countries not involved in climate change policy.

2.11 The EESC also welcomes the renewed focus on the territorial dimension of cohesion, which, despite the adoption of the European Spatial Development Perspective (ESDP) (1999), has until now been sidelined. The Urban Development Strategy, the Territorial Agenda and the Leipzig Charter all list a range of key urban development principles, while the EESC has highlighted the role of metropolitan areas and clusters in the context of industrial policy and innovation.
2.12 The final chapter, which explores the link between EU policies and cohesion, is the least convincing: it lists a catalogue of measures taken under the Lisbon Strategy without providing any reliable evidence of their actual impact on cohesion.

3. Recommendations

3.1 Without wishing to pre-empt its forthcoming own-initiative opinion in response to the Commission’s public consultation on the future of the EU budget, the EESC reiterates some of its previous recommendations.

3.1.1 The Structural Funds are currently limited to the granting of subsidies. In a previous opinion (5), the EESC proposed revising their financial engineering to create a multiplier effect through the involvement of the European Investment Fund and the EIB. It proposed transforming these subsidies into financial products to create a leverage effect. For example, one euro set aside to guarantee a risk capital loan would make it possible to finance five to ten euro of a SME’s investment. The JEREMIE model must be extended (6).

3.1.2 Additional resources could also be freed up, without increasing Member States’ contributions, to be channelled into projects with European added value (notably the missing links in the trans-European networks (TEN) and the European Globalisation Adjustment Fund (EGF)).

3.1.2.1 The EESC has often criticised the VAT system within the EU budget, on account of its excessively high collection, administrative and monitoring costs (7). These costs must be reduced, thereby freeing up resources for joint projects.

3.1.2.2 The practice of refunding Member States unused appropriations of an already meagre EU budget should be ended. These appropriations represent only a very small percentage of the annual budget. However, over the period 2000-2005, they amounted to almost EUR 45 billion, which could have been put to productive use (8).

3.1.2.3 In view of the fact that all Member States are faced with ageing populations entailing increased social security costs while also being subject to budgetary constraints under the Stability and Growth Pact, public-private partnerships could provide an alternative solution. Such partnerships would hinge on the ability of public administrations (particularly at subnational level) to negotiate balanced agreements with the private sector, which would require administrative capacities to be strengthened.

3.2 The strategic guidelines directing regional policy are aligned with the Lisbon Strategy. The EESC proposes that regional policy take a more balanced approach to the Sustainable Development Strategy, which is devoted to all aspects of cohesion, since the Lisbon Strategy, which ties in with it, focuses on competitiveness (9).

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(7) EESC opinion on the Own resources system, OJ C 267, 27.10.2005, p. 57.
(9) ‘When it relaunched the Lisbon strategy in March 2005, the European Council reaffirmed that the strategy was to be seen in the wider context of sustainable development whereby present needs should be met without compromising the ability of future generations to meet theirs. The European Council reiterates its attachment to sustainable development as a key principle governing all the Union’s policies and activities’. Conclusions of the European Council of June 2005.
3.2.1 The following maps drawn up by ESPON (the European Spatial Planning Observation Network) illustrate the polarisation and increasing metropolitanisation that would occur by 2030 should the Lisbon strategy be further developed along current lines. A cohesion-oriented scenario would enable the economic hub to be extended and, above all, foster the emergence of other growth poles (the Baltic regions; an area to the East taking in Vienna, Berlin, Warsaw and Budapest; the South of France and Catalonia).

3.2.2 The EESC reaffirms (10) the importance of developing and implementing new growth poles in the context of harmonious development, in order to avoid the detrimental effects of polarisation (11). The first level facilitates the emergence of development hubs spread throughout Europe, to disperse growth and jobs beyond the economic hub (the pentagon); the second level consolidates the links and synergies between the large urban centres and the (quasi-)rural areas, mainly to avoid territorial divisions within NUTS itself (the Nomenclature of Territorial Units for Statistics).

3.3 Given the increasing dominance of capital cities as places that generate wealth, industry and jobs, particularly in certain new Member States (12) and the strong correlation between GDP growth rates and inflation, the governments and civil society of the countries set to join the euro area should give particular consideration to the impact of the transition to the single currency on their internal cohesion. This may come under pressure where the various regions of an individual country develop unequally. Therefore, while not disregarding the benefits of the euro (13), though pointing out that the single interest rate policy could fail to meet the specific needs of their national economy, its impact will vary across the large industrial centres (including the capital) and the other regions. To complement this, the Member States’ economic policies will need to be coordinated more closely in order to ease this problem (14).

3.4 The importance of services of general interest (SGI) is again stressed in the report. In view of the new protocol on general interest services to be defined by the 2007 IGC, the EESC repeats its call for ‘common benchmarks and standards’ to be defined at Community level for all services of general interest (both economic and non-economic), including social services of general interest, to be set out in a framework directive, adopted under the co-decision procedure, whereby a Community framework can be established which reflects their specific characteristics (15).

3.5 ‘In the Committee’s view [a view that has been echoed by the European Parliament in its recent reports], cohesion should not be understood solely in terms of GDP. It therefore calls for a more representative indication of cohesion [which should include] in addition to GDP, parameters such as employment and unemployment levels, the extent of social protection, the level of access to general interest services etc. (16). These indicators should also be complemented by indicators of income inequality (Gini coefficient or inter-quintile ratio) and of CO2 emissions (per inhabitant or change since 1990). In general terms, it is vital to build up the EU’s statistical tools, particularly at NUTS level, and to forge closer links between Eurostat and national statistics offices in order to gain access as soon as possible to the most comprehensive and accurate data available (17).

3.6 The EESC proposes considering whether it would be more pertinent, during the next Structural Fund allocation phase, to use the economic indicator of Gross National Income (GNI) rather than GDP, as is already the case for the Cohesion Fund. This would enable commuters to be taken into account, whose economic impact helps close the gaps, as highlighted in a section of the report, while encouraging mobility on all levels, as well as foreign direct investment (FDI) flows, from which part of the revenue returns to the country of origin. Thus, GNI, unlike GDP, takes account of inflows and outflows. There is a considerable difference between the two in certain countries (Luxembourg, Ireland, the Czech Republic, Estonia, Cyprus, Hungary and to a lesser extent Poland and Romania) which could result in a sub-optimal allocation of Structural Funds. It should also be noted that this data is not available at NUTS level, something which must be rectified as far as possible.

4. Answers to certain consultation questions

4.1 How can the regions react to restructuring pressures from dynamic competitors in low-and medium-tech sectors?

4.1.1 With regard to the qualitative upgrading of EU businesses, it is clear that the 7th Research and Development Framework Programme (RDFP) and the Competitiveness and Innovation Framework Programme (CIP), which are both aimed at boosting SMEs and the regions of knowledge, remain too top-down in their approach. Links with ‘networks of centres of technological and scientific excellence’ and industrial parks should be promoted, as should ‘structured bridges between academia, industry and government’. That said, it must be borne in mind that the innovation mantra entails a risk of further fragmentation if new areas of responsibility are not formed in order to guide the


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public through the changes (\textsuperscript{18}). This requires a more serious focus on the quality of jobs given that ‘as well as increases in R&D investment and investment generally, and investment in education and training in view of the requirements of the knowledge and information society, improving the quality of working life is a key to increasing the growth in productivity and innovativeness of businesses. This is proven by studies into the relationship between quality of work and productivity and into the significance that “good work” has from the point of view of the employees concerned for their job motivation and readiness to enhance output’ (\textsuperscript{19}).

4.1.2 With regard to industrial policy, ‘identifying synergies and involving stakeholders in achieving structural change […] can allow industrial change to be managed in a socially acceptable way if the social partners are systematically involved in anticipating and managing change, and the dual objective of making businesses competitive and minimising the negative social impact is consistently pursued’ (\textsuperscript{20}).

4.1.3 In cross-border regions, industrial change could be facilitated ‘by setting up the optional transnational framework for collective negotiation as announced in the 2005-2010 social agenda’ (\textsuperscript{21}).

4.1.4 ‘The Committee supports the request made by the European Parliament for an assessment of relocations and the follow-up given to them at territorial level (jobs destroyed/created, types of job, impact on economic, social and territorial cohesion) and to make specific proposals in the form of periodic reports’ (\textsuperscript{22}).

4.1.5 One tranche of the unused budget appropriations could serve to swell the coffers of the European Globalisation Adjustment Fund (EGF) — the new instrument that provides prompt temporary support to workers who have been made redundant and who are ‘victims of globalisation’. We would also propose that the eligibility threshold be revised downwards by reducing the number of workers made redundant required to trigger the fund, given that SMEs represent 99.8 \% of companies (of which 91.5 \% are micro-enterprises) and 67.1 \% of total employment.

4.1.6 The stipulation within the general provisions on the Structural Funds regarding the seven-year period during which a company which has received such aid must commit to maintaining its investment in the recipient region must be retained.

4.1.7 It appears from our initial assessment that the JEREMIE initiative is overly concentrated in key sectors and that SMEs outside of these sectors are not deriving sufficient benefit.

4.1.8 Not all EU regions will be capable of being at the leading edge of the knowledge economy for want of infrastructure or human capital, or because their size prohibits economies of scale. These regions will have to position themselves in relation to neighbouring metropolitan areas by developing their residential economy or by specialising in areas with less marked agglomeration effects or where a lower critical mass is required. The EESC is opposed to rural areas being assimilated into agricultural areas, with no other prospects in view.

4.1.9 One possible alternative lies in tourism and related activities. This requires that ‘new rural professions […] be created: specialised trade in local products; traditional crafts and food products; sports and environmental leisure services; audiovisual and virtual reality facilities; cultural promotion; childcare, campsites and hostels; natural medicine; aesthetic enhancement; traditional construction and revival of trades; internet cafés; promotion of local property; advice on the new activities; production of goods and services usually consumed in tourist accommodation; specialised attention for the elderly’ (\textsuperscript{23}). The utmost attention should be paid to supporting ecotourism, which is based on biological management. The goal of ecotourism is to educate people towards development that is sustainable, respects the environment and does not disturb the balance of nature. The European Social Fund and the EAFRD have a contribution to make here.

4.1.10 Cultural tourism can open up interesting opportunities for many regions. To this end, ‘the European Union could use competitions and reward schemes in its programmes in order to promote best practices in the management of cultural tourism services, particularly in the “European Capitals of Culture” programme and the future “European destinations of excellence” programme. The EU could also provide advice for cities and regions which decide to apply for these two programmes, and grant them more substantial funding than at present and maybe fast-track Structural Funds appropriations for them’ (\textsuperscript{24}).

4.2 To what extent is climate change a challenge for cohesion policy?

4.2.1 The EESC shares the view of ESPON (\textsuperscript{25}) that the consequences of climate change will vary across the regions, requiring differentiated responses. For regions within the economic hub, ‘the objective has to be to maintain their economic productivity while reducing negative agglomeration economies such as air pollution and CO\textsubscript{2} emissions […]’. Innovative and efficient collective transport systems have to be developed and land use managed in a controlled way. In the Southern European regions, but also in mountainous areas, the main challenge will be […] the limitation of uncontrolled land use

\textsuperscript{18} EESC opinion on The territorial governance of industrial change: the role of the social partners and the contribution of the Competitiveness and Innovation Programme, OJ C 318, 23.12.2006, p. 12.

\textsuperscript{19} EESC opinion on Quality of working life, productivity and employment in the context of globalisation and demographic challenges, OJ C 318, 23.12.2006, p. 137.

\textsuperscript{20} EESC own-initiative opinion on Social dialogue and employee participation, essential for anticipating and managing industrial change, OJ C 24, 31.1.2006, p. 90.


\textsuperscript{22} Report on relocations in the context of regional development (rapporteur: Hutchinson, 30 January 2006).

\textsuperscript{23} EESC opinion on The contribution of tourism to the socio-economic recovery of areas in decline, OJ C 24, 31.1.2006, p. 1.

\textsuperscript{24} EESC opinion on Tourism and culture: two forces for growth, OJ C 110, 9.5.2006, p. 1.

\textsuperscript{25} ESPON: Scenarios on the territorial future of Europe, May 2007.
and construction. Remote areas [...] need innovative solutions to provide for the necessary levels of accessibility [...] [while avoiding measures with] negative long-term effects'.

4.2.2 The EESC proposes complementing and bolstering the budget of the Solidarity Fund, which currently provides rapid aid in the event of a natural disaster. In order to further emphasise the EU's commitment to combating climate change, which requires longer term measures, the EESC proposes that henceforth the Solidarity Fund should also co-finance preventive risk management projects.

4.2.3 Clear and transparent criteria ought to be used for the selection of projects to be financed under different budget headings and programmes. These should include sustainability criteria, such as the impact of the project on the environment, health, creation or loss of jobs and EU competitiveness (36).

4.3 How can cohesion policy better promote harmonious, balanced and sustainable development taking into account the diversity of EU territories, such as least favoured areas, islands, rural and coastal areas but also cities, declining industrial regions, other areas with particular geographic characteristics?

4.4 The EESC has repeatedly advocated the implementation of polycentrism within the EU. The Fourth report highlights the dominance of the economic hub (or pentagon) and the growing importance of the capital cities, as well as the ensuing social and environmental costs. The EESC also advocates fostering secondary growth poles and metropolitan areas, and consolidating synergies and complementarities between urban areas and the more remote regions (37). There could be a regular report on the socio-economic situation of metropolitan areas, which would require the development of a statistical monitoring tool (38). The EESC also feels that, to this end, territorial pacts for development within the context of globalisation could prove useful, especially where they form part of a forward-looking approach to fostering the cultural growth of society that engages everyone (39).

4.4.1 The EESC advocates using the ‘Socially Responsible Territories’ model (i.e. territories that, as stated in the Bristol Accord (34) of December 2005, aim to develop sustainably, taking into account the economic, social and environmental aspects of their own activities as well as the socioeconomic implications of an ageing population) for urban development. It is thus essential to maintain and foster the involvement of society stakeholders in agreeing on the direction to be taken, as promoted by the 6th Framework Programme for Research and Development (FPFRD). The 7th FPFRD provides for specific activities relevant to human development and ageing (31).

4.4.2 Given that areas with job-creation and industrial potential can go beyond the national sphere, the Interreg funds should be bolstered to promote cross-border cooperation (34).

4.4.3 As regards the outermost regions, ‘the EESC welcomes the Commission’s intention, within the convergence objective, to set up a specific compensation mechanism covering all the handicaps of the outermost regions, as well as regions with permanent structural handicaps’ (35). Given that 50 % of R&D expenditure is concentrated in only a few regions, the EESC calls for ‘more incentives for technology transfer between the regions’. The EESC believes that ‘a European policy for regions with permanent handicaps should be based on three major principles’, namely: 1) permanence (the catch-up concept not being relevant to these regions), 2) positive discrimination, designed to bring about real parity with the other regions and 3) proportionality, to take account of the diversity of the geographic, demographic and environmental characteristics of the regions as well as the constraints that they face. To eliminate the inequality, interventionist measures of a social nature could be envisaged, such as: ‘direct aid for certain commercial activities or services providers, special fares for residents on sea or air transport, the existence of high-quality public services’ (34) and so on.

4.4.3.1 The Commission is right when saying that accessibility constraints for islands can be translated into the fact that ‘travel time by car or train [is] increased by the sea crossing’. Accessibility is ‘a particular problem’ that islands have to cope with. And the Commission is also right when it stresses the problem of the small size of their population. In fact, most of the islands cannot rely on their domestic market. However, other problems also determine their perspectives for example the limitation of the resources, natural risks and fragile environment.

(31) EESC opinion on How to achieve better integration of regions suffering from permanent natural and structural handicaps, OJ C 221, 8.9.2005, p. 141.
(35) EESC opinion on How to achieve better integration of regions suffering from permanent natural and structural handicaps, OJ C 221, 8.9.2005, p. 141.
(38) www.odpm.gov.uk
4.4.3.2 Article 16 TEC states that ‘... the Member States, each within their respective powers and within the scope of application of this Treaty, shall take care that such services operate on the basis of principles and conditions to enable them to fulfil their mission’.

4.4.3.3 Another measure could be a universal service (US) model for public services sectors whose application in these areas is enshrined in European Union policy documents and regulation. This measure is highlighted in the Green Paper on Services of General Interest (COM(2003) 270 final).

4.4.4 The EESC stresses the importance of penalising companies that receive EU aid but relocate within 7 years. Public resources cannot be wasted through subsidising jobs cuts.

4.5 What are the impacts of the challenges identified in the report for key elements of social cohesion such as inclusion, integration and opportunity for all? Are further efforts needed to anticipate and counteract these impacts?

4.5.1 The cross-sectional dimension of gender equality is mentioned explicitly in the Structural Fund regulations. However, it seems that efforts made in this regard have been almost exclusively focused on labour market issues. The Member States must be encouraged to adopt an integrated approach (possibly by means of the Lisbon Strategy Integrated Guidelines and, where appropriate, via individual recommendations). In order to assess operational programmes, data broken down by gender is a crucial requirement.

4.5.2 To enable couples to decide how many children they would like to have, the Member States should introduce a range of measures such as direct financial support, changes in taxation, and the provision of economically viable public or private facilities (e.g. crèches of various kinds, including company or inter-company crèches) all-day schooling and services; thus, it is the quality of facilities that matters, not the quantity (36). Moreover, the EESC notes that following the Barcelona European Council (June 2002), the Member States agreed ‘to provide child care by 2010 to at least 90 % of children between three years old and the mandatory school age and at least 33 % of children under three years of age’. There is also a need to establish ‘a fixed threshold for public funding for family- and child-related policies — i.e. investments in the future — so that available resources are not, potentially, subsumed in the overall costs of an ageing society — costs which an ageing electorate may consider a top priority’ (37). In this regard, it would be worth considering setting up a demographic fund. It would be aimed at supporting national efforts to promote higher birth rates and female participation in the labour market by making more EU funds available for investment in facilities for childcare and care of the elderly as well as in the renovation/modernisation of schools, particularly in rural areas.

4.5.3 In tandem with demographic support, other measures are needed, including ‘safeguarding and improving the health and safety of children; providing quality education for all; proposing assistance and support systems enabling parents to meet their needs and difficulties. Special attention should be paid to families and children living in extreme poverty, those needing specific support, and those from migrant backgrounds. Although the EESC acknowledges the ageing of the European population and believes that demographic renewal is essential for the survival of the continent, it points out that a reduction in widescale unemployment, access to lasting employment for 25–35 year-olds and real job security in general should make it possible to finance retirement (whether active or not) (38). The European Social Fund must make a significant contribution to this venture.

4.5.4 The EESC also believes that ‘a set of common objectives on access to housing; minimum standards on the quality of housing which define the concept of decent housing [should be established at EU level] (39).

4.5.5 European financial institutions [should] earmark resources at very low rates for integrated building programmes for young people, families with children, immigrants, older people, the disabled, at-risk social groups and so on, thus encouraging worker mobility, improving the social mix and providing affordable solutions for occupants. (...) The EESC notes that the use of the JESSICA programme will provide the elements necessary to set up a guarantee fund for larger-scale social housing projects and it calls for this question to be considered during the mid-term review of the Structural Funds (40).

4.6 What are the key future skills that are essential for our citizens in facing new challenges?

4.6.1 The territorial pacts for development referred to in the answer to question 2.1, offer an interesting approach to addressing this issue insofar as the range of different situations and specific challenges requires the use of different instruments and competences (cf. 1.1). The social partners, who each year since 2002 present a report to the Spring European Council on their involvement in the lifelong learning initiative, must be actively involved.

(36) Ibid. (37) EESC opinion on Housing and regional policy, OJ C 161, 13.7.2007, p. 17. (38) Ibid. (39) Ibid. (40) Ibid.
4.6.2 The EESC would like to point out that ‘the key condition for using ICT in lifelong learning, particularly in the Community’s rural areas and small towns, is support from the EU and the governments of Member States for broadband internet connections’, that provide access to e-learning systems. In this context, the EESC appeals to the Commission to recognise access to broadband as part of a wider strategy aimed at ensuring that eAccess is accorded the status of general interest. Special consideration must be given to the risk of a generation gap emerging.

4.7 Given the need for efficient management of cohesion policy programmes, what is the optimum allocation of responsibility between the Community, national and regional levels within a multi-level governance system?

4.7.1 The EESC would firmly reiterate its opposition to any attempt to renationalise Cohesion Policy, which incontestably provides European added value in terms of solidarity, growth and jobs, and whose impact on the ground is visible to the European public.

4.7.2 The EESC points out that, according to the Treaty (Articles 2, 158 and 159), all policies — EU, national, horizontal and sectoral — must contribute to the objective of cohesion. Therefore, it is important that cohesion, and particularly its territorial dimension, be taken into account in the integrated guidelines and impact analyses.

4.7.3 The EESC welcomes the IGC’s inclusion of territorial cohesion as one of the objectives of the EU and the Commission’s plan to set up a new territorial cohesion unit within DG REGIO. This unit should ensure that sectoral policies do actually converge towards the objective of cohesion. In particular, in view of the fact that projects eligible for EU funding need to be co-funded by national governments, consideration should be given to the budgetary criteria laid down by the Stability and Growth Pact, and to their impact on the funding of trans-European networks, and specifically on the missing sections.

A number of general guidelines need to be called to mind. Some were already included in the Treaties, others were introduced following the 2007 Intergovernmental Conference. They stipulate that: The Union must, in the definition and implementation of its policies and actions:

(44) Broadband Internet access — Communications channel with high capacity, enabling quick, easy access to information and e-learning systems (source — http://www.elarningeuropa.info).

(45) EESC opinion on The contribution of IT-supported lifelong learning to European competitiveness, industrial change and social capital development, OJ C 318, 23.12.2006, p. 20.

(46) EESC opinion on The impact and consequences of structural policies on EU cohesion, OJ C 93, 27.4.2007, p. 6.

— take into account the requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health. (New Article 9 of the Treaty on the Functioning of the European Union).

— aim to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. (New Article 10 of the Treaty on the Functioning of the European Union).

— integrate environmental protection requirements in particular with a view to promoting sustainable development (Article 6 of the Treaty Establishing the European Community, maintained in the new Treaty).

The provisions set out in the Charter of Fundamental Rights, recognised in the Treaty on European Union (Article 6) must also be taken into consideration in defining and implementing the structural policies.

4.7.4 The EESC strongly regrets that this consultation process does not address the role of the social partners and organised civil society in the framing, development and implementation of the Structural Funds. They have a crucial role to play in adapting co-funded projects to local conditions and needs, insofar as these are in line with the strategic guidelines. The Committee calls for guidelines to be drawn up in future for the conduct of consultations on Member States’ strategic and programming documents. The Member States should explain how they organise feedback on how the partnership principle is implemented in the context of the monitoring committees. The Committee believes that the Member States and regional authorities should make greater use of the potential existing within civil society organisations by involving them in the preparation of promotion plans. Grass-roots initiatives should also be supported by allocating adequate financial resources for this purpose from the funds available for the promotion of and information about the Structural Funds. In the case of cross-border or interregional programmes, it would also be worth promoting joint consultations and socio-occupational partnerships which are also cross-border or interregional.

4.7.5 Following on from the Open Days and the Regions for Economic Change initiative, the EESC strongly advocates:

— the creation of a European tourism agency which could act as a monitoring centre and provide the Community, the Member States and the regions with reliable and comparable data on tourism;


(48) EESC opinion on Tourism and culture: two forces for growth, OJ C 110, 9.5.2006, p. 1.
— the introduction of European green city awards in order to encourage local communities and their public and private players to optimise their efforts (46);
— the introduction of a technical assistance facility for housing projects in cooperation with representatives and networks of local and regional authorities and supported by the European Commission and the Member States (to build on projects and methods for effectively integrating housing projects in urban regeneration programmes) (47).

Particular emphasis should be put on the dissemination of experience and best practices.

4.8 What are the new opportunities for co-operation between regions, both within and outside the EU?

4.8.1 The EESC believes that a forum bringing together metropolitan areas and the Commission could promote polycentrism and increase knowledge of these areas. A working party could be set up to identify and disseminate best practice (48).


The President of the European Economic and Social Committee

Dimitris DIMITRIADIS


(47) EESC opinion on Housing and regional policy, OJ C 161, 13.7.2007, p. 17.


4.8.2 Legal entities created both under the EGCC and other Structural Funds must be responsible for coordinating the various sources of financing, and for the preparation and realisation of fund projects supporting industrial policy in the given region. This financing would be accessible to the representatives of the various parties involved in the regions. The establishment of such legal entities will create an incentive for cross-border cooperation and give such regions a greater sense of identity and increase their desire to harmonise their regulations (49).

4.8.3 In this context, joint consultations and socio-occupational partnerships which are also cross-border or interregional should be promoted, as should social dialogue initiatives at these levels, particularly by setting up the optional transnational framework for collective negotiation as announced in the 2005-2010 social agenda (50).

4.8.4 Another area where regional cooperation could promote cohesion is the energy sector, since it has an impact on production costs, families, and economic development. This could be done through forms of interregional energy exchanges between regions that have greater quantities and lower cost resources vis-à-vis poorer regions. Nowadays, this can be done via a regulated system of networks, which is, however, more flexible and involves activating the ‘power exchange’.

(49) EESC opinion on The management of industrial change in cross-border regions following EU enlargement, OJ C 185, 8.8.2006, p. 24.